

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITORS' REPORT**

and

**INDEPENDENT AUDITORS' REPORTS ON INTERNAL ACCOUNTING CONTROL
AND COMPLIANCE AND OTHER MATTERS**

For the Year Ended March 31, 2014

CONTENTS

	<u>PAGE</u>
<u>FINANCIAL INFORMATION SECTION</u>	
Independent Auditors' Report	1-3
Basic Financial Statements	
Statement of Financial Position	4
Statement of Activity and Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-16
Supplementary Information	
Statements of Activity by Program	17-19
Schedule of Expenditures of Federal Awards	20
Notes to Schedule of Expenditures of Federal Awards	21-22
<u>INTERNAL ACCOUNTING CONTROL AND COMPLIANCE AND OTHER MATTERS</u>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	23-24
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required OMB Circular A-133	25-27
Schedule of Findings and Questioned Costs	
Summary of Audit Results	28
Findings - Financial Statement Audit	28
Findings and Questioned Costs - Major Federal Award Programs	29
Summary Schedule of Prior Year Audit Findings and Related Corrective Action Plan	29



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
St. Mary Community Action Committee
Association, Inc.
Franklin, Louisiana

We have audited the accompanying financial statements of St. Mary Community Action Committee Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2014, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Mary Community Action Committee Association, Inc. as of March 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

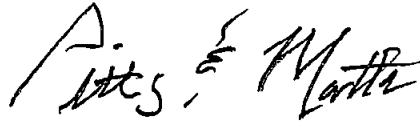
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The statements of activity by program are presented for additional analysis and are not a required part of the basic financial statements of the St. Mary Community Action Committee Association, Inc. The accompanying schedule of expenditures of federal awards and related notes as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", are presented for purposes of additional analysis and are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves; and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 22, 2014, on our consideration of St. Mary Community Action Committee Association, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering St. Mary Community Action Committee Association, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "A. & M. Little". The signature is stylized with a large initial "A" and a cursive "Little".

CERTIFIED PUBLIC ACCOUNTANTS

September 22, 2014

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION

March 31, 2014

ASSETS

Current assets

Cash	\$ 187,783
Grants receivable	431,052
Other receivables	<u>12,461</u>

Total current assets 631,296

Noncurrent assets

Inventory - subdivision development	253,510
Fixed assets - less accumulated depreciation	<u>6,743,920</u>

Total noncurrent assets 6,997,430

Total assets \$ 7,628,726

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued expenses	\$ 517,205
Notes payable	<u>209,000</u>

Total current liabilities 726,205

Net assets

Unrestricted 170,150

Temporarily restricted for:

Fixed assets with explicit restrictions on use	6,468,501
Housing programs	208,644
Emergency assistance programs	22,032
Youth programs	(22,080)
Job assistance programs	58,517
Administration	<u>(3,243)</u>
	<u>6,732,371</u>

Total net assets 6,902,521

Total liabilities and net assets \$ 7,628,726

The accompanying notes are an integral part of these financial statements.

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

**STATEMENT OF ACTIVITY AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2014**

Support	
Grants	
Federal	\$ 1,136,817
State	52,933
Local	266,603
Contributions	166,053
Other	44,974
Net assets released from restrictions:	
Satisfaction of program restrictions	<u>6,138,318</u>
Total unrestricted support	<u>7,805,698</u>
Expenses	
Head Start programs	5,049,407
Housing and utility assistance programs	2,214,245
Transportation programs	260,204
Family and childrens programs	222,962
Management and general	<u>290,490</u>
Total unrestricted expenses	<u>8,037,308</u>
Decrease in unrestricted net assets	<u>(231,610)</u>
Changes in temporarily restricted net assets:	
Support	
Grants	
Federal	6,173,852
Net assets released from restrictions:	
Satisfaction of program restrictions	<u>(6,138,318)</u>
Increase in temporarily restricted net assets	<u>35,534</u>
Decrease in net assets	<u>(196,076)</u>
Net assets at March 31, 2013	<u>7,098,597</u>
Net assets at March 31, 2014	<u>\$ 6,902,521</u>

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2014

Cash flows from operating activities:	
Received from grantors	\$ 7,821,674
Other revenues	212,981
Paid to employees	(3,487,502)
Paid to vendors	<u>(4,377,076)</u>
Net cash provided by operating activities	<u>170,077</u>
Cash flows from investing activities:	
Acquisition of homes	<u>(123,500)</u>
Net cash used in investing activities	<u>(123,500)</u>
Net increase in cash and cash equivalents	46,577
Cash and cash equivalents at beginning of year	<u>141,206</u>
Cash and cash equivalents at end of year	<u>\$ 187,783</u>

Reconciliation of change in net assets to net cash provided by operating activities:

Change in net assets:	\$ (196,076)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	\$ 342,478
Transfer of land	27,500
Decrease in accounts receivables	191,469
Decrease in other receivables	1,954
Decrease in accounts payable and accrued expenses	<u>(197,248)</u>
	<u>366,153</u>
Net cash provided by operating activities	<u>\$ 170,077</u>

NOTES:

The Association received noncash contributions of food commodities and professional services totaling \$166,053 during the year.

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A summary of the Association's significant accounting policies applied in the preparation of the accompanying financial statements follows:

The Association is a not-for-profit corporation designated as St. Mary Parish's official agency for the enactment and oversight of many social, education, and welfare programs for the citizens of St. Mary Parish, Louisiana; including the operation of the local Head Start program. In addition, the Association also operates the Head Start program and certain other programs for Vermillion Parish. The Association receives Federal, state, and local funding to operate its various programs.

The following is a summary of the programs with significant activity and their primary functions applicable to the Association during the year ended March 31, 2014:

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
General	Various	General operations.
Head Start #22	U.S. Dept. of Health and Human Services	To provide comprehensive health, educational, nutritional, social, and other services to economically disadvantaged preschool children and to provide parents with training and education to foster their understanding of and involvement in the development of their children.
Child and Adult Care Food Program	U.S. Dept. of Agriculture	To supply supplemental nutritious foods and nutrition education to low-income families.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
Community Services Block Grant (CSBG)	U.S. Dept. of Health and Human Services	To provide administrative assistance to non-profit community service organizations.
Revolving Loan Program	U.S. Dept. Of Agriculture	To provide loans to small businesses located in rural areas.
Transitional Housing	U.S. Dept. of Housing and Urban Development	To help eligible clients obtain remain in permanent housing and increase their skills and/or income.
HUD Homeless	U.S. Dept. of Housing and Urban Development	To provide assistance to eligible clients with utility assistance, rental assistance, deposits, foods, clothes, case management and life skills training that will strengthen, promote quality, and guide families into self sufficiency.
Parish Council	St. Mary Parish Council, U.S. Dept. of Health and Human Services, U.S. Dept. of Transportation and State of Louisiana Dept. Of Transportation	To supplement transportation services.
LIHEAP Utility Payments	U.S. Dept. of Health and Human Services	To assist eligible households to meet home energy costs.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
Medicaid	State of Louisiana Dept. Of Treasury	To provide assistance to eligible individuals to qualify them to Receive Medicaid benefits.
Weatherization	U.S. Dept. of Energy	To weatherize dwellings of low-income individuals.
Summer Feeding	U.S. Dept. of Agriculture	To supply nutritious foods to children during summer months.
Housing Department	Earned fees and other	To provide housing assistance, counseling, etc. regarding home ownership.
Affordable Housing (Faith Place)	Federal Home Loan Bank of Dallas and Louisiana Housing Finance Agency	To provide affordable housing through development and construction.
Isaiah's House	Rent Revenue	To provide safe and affordable housing in the form of rental property to residents of St. Mary Parish.
Weatherization Stimulus	U.S. Dept. of Energy	To weatherize an additional number of dwellings of low-income individuals.
Healthy Families	Community Foundation of Acadiana	To help move BP oil spill affected oil industry workers, seafood industry workers, and fishermen to self-sufficiency.
Little Zion	Community Foundation Of Acadiana	To provide food to families, care bags to seniorcitizens on a weekly basis, spiritual support, & job readiness and mentoring services

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The accrual basis of accounting is generally used by the Association.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Inventory – Subdivision Development

It is the intension of the Association to subsidize the purchase price of homes to certain qualified low income buyers. Therefore, the value of inventory of homes in the Subdivision Development program is valued at contractual sales price (which is lower than construction costs or estimated fair value).

Support and Revenues

A significant portion of the Association's support and revenue is in the form of grants and contributions from governmental agencies and other groups. Contributions are generally reported as temporarily restricted, if they are received with donor stipulations. Significant grants are also accounted for as temporarily restricted if the value received by the grant provider is only incidental to the public benefit provided by use of the grant funds. When the stipulations of the grantor or donor are met, then these assets are reclassified as unrestricted and reported in the statement of activity and changes in net assets as net assets released from restrictions. The Association receives some grants which would normally be accounted for as temporarily restricted. However, when the Association meets grantor restrictions in the same year as the grant funds are received, these grants are reported as unrestricted.

Grant funds received from grant providers, who receive significant value in exchange for grant funds, are accounted for as exchange transactions and revenue is recognized as services are performed.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses

Assets or expenses and their related liabilities are recorded when the related goods or services are received by the Association.

Utilization of Contributed Goods, Services or Facilities

In general contributed goods and facilities that meet the proper criteria are recorded as items of support or revenue with a like amount recorded as expense upon receipt at fair market value.

In accordance with FASB Accounting Standards Codification, contributions of services shall be recognized only if the services received a) create or enhance nonfinancial assets or b) require specialized skills and the person providing the service possesses the specialized skill.

Fixed Assets

Purchased furniture, fixtures, and other equipment are valued at their actual cost or estimated cost. Contributed items are valued at their estimated fair market value at the date of the contribution. Fixed assets are depreciated over their estimated useful lives on the straight-line basis.

Fixed assets purchased with grantor funds may need to be used for a specific purpose or time period and returned to the grantor, sold or retained by the organization in accordance with the respective grant agreements upon program completion. The Association accounts for the acquisition of fixed assets in one of two ways depending upon grantor restriction as shown below:

1. If the grantor does not stipulate the use, timeframe, and disposition of the fixed assets then the Association records fixed assets as unrestricted support when the assets are placed in service.
2. If the grantor specifies a particular use but no timeframe it is the Association's policy to record the fixed assets as restricted support and increase temporarily restricted net assets. The Association then records depreciation over the asset's useful life and net assets are periodically reclassified from temporarily restricted to unrestricted as the asset is depreciated.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Funds received that are restricted to the construction of fixed assets are reported as restricted support that increase temporarily restricted net assets, those restrictions expire when the construction is complete and the fixed assets are placed into service, at which time they are accounted for as described in 1 or 2 above.

Compensated Absences

Compensation is paid to employees absent from work due to illness or vacation. An accrual is made for the amount of compensation the employees will receive in the future based upon services performed through March 31, 2014. The amount accrued at March 31, 2014 is approximately \$59,000.

Net assets

In accordance with the FASB Accounting Standards Codification, the Association must report net assets in each of the following three classes:

- a. permanently restricted - net assets in this category are restricted by grantor or donor imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization.
- b. temporarily restricted - net assets in this category are restricted by grantor or donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization.
- c. unrestricted - net assets in this category are not restricted by grantor or donor imposed restrictions.

The Association has unrestricted and temporarily restricted net assets.

The temporary restrictions result from grants or donations received with restrictions that expire when those grantor or donor imposed stipulations have been met. Once the stipulation related to the restriction has been met these temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For purposes of the Statement of Cash Flows, the Association considers all cash in non-interest bearing checking accounts and cash on hand to be cash and cash equivalent accounts.

Income Tax Status

The Association operates as a not-for-profit organization. It is accorded tax exempt status under Section 501 (c) (3) of the Internal Revenue Code.

NOTE 2 - INVENTORY – SUBDIVISION DEVELOPMENT

In the current year the Association received a grant through the Louisiana Housing Corporation (LHC) from the Home Investment Partnership Program (HOME) from HUD. The grant was used to purchase two homes for the property acquired in a prior year on Easy Street. At year end one of the homes is complete and vacate, and the other is 90% complete. It is the intent of the Association to make the sales price of the homes affordable to lower income buyers by recovering only a portion of the construction costs of the homes and the cost of the land.

In a prior year the Association developed Morgan City Heights, a small single family subsidized residential subdivision with similar assistance from LHC through the same program. During the year ended March 31, 2010, two of the homes were sold at a sales price of \$55,000 each, in addition, rental agreements with options to purchase, (at a price of \$65,000, each), were obtained on the two remaining homes.

It is not the intent of the Association, nor its funding grantors, to recover the construction costs, nor fair value of these homes from the sales price. Hence, the value of the three completed homes has been reduced to the sales or option price of \$195,010 (\$65,000 each), while the uncompleted home is valued at 90% of its complete option or sales price (\$58,500) for a total inventory value of \$253,510.

NOTE 3 - FIXED ASSETS

The following is a summary of fixed assets by major category with their related estimated useful lives:

<u>Category</u>	<u>Cost</u>	<u>Estimated Useful Life</u>
Land	\$ 88,500	
Buildings	7,698,809	35 years
Vehicles	1,483,178	3 years
Furniture and fixtures	85,384	5 years
Machinery and equipment	1,041,986	5 years
Leasehold improvements	<u>96,471</u>	5 years
Total	10,494,328	
Less: accumulated depreciation	<u>3,750,408</u>	
	<u>\$ 6,743,920</u>	

Depreciation for the year ended March 31, 2014 totaled approximately \$342,000.

Certain grant requirements restrict the use of certain fixed assets. Substantially all buildings and vehicles acquired with grant funds would revert to the grantor if those fixed assets would cease to be used in that program.

NOTE 4 - NOTES PAYABLE

Notes payable at March 31, 2014 are as follows:

Description

\$200,000 non-interest bearing revolving loan due to Louisiana Housing Corporation, formerly Louisiana Housing Finance Agency used for Construction of Faith Place Subdivision; Outstanding balance due at March 31, 2014	\$184,000
---	-----------

The Association maintains a line of credit bearing interest at a rate of 4% with a local bank in the amount of \$25,000. Outstanding indebtedness related to the line of credit at March 31, 2014	<u>25,000</u>
---	---------------

Total Notes Payable	<u>\$209,000</u>
---------------------	------------------

NOTE 5- LEASES

At March 31, 2014, the Association had four significant operating leases in effect. The leases cover the buildings in various locations used to serve recipients of the Association's services. Total Rent expense for the year ended March 31, 2014 totaled approximately \$18,100.

The aggregate future minimum lease payments for the four leases is approximately:

Year ended March 31, 2015	<u>\$9,300</u>
---------------------------	----------------

NOTE 6 - UTILIZATION OF CONTRIBUTIONS

The following contributions were received and recognized, for financial reporting purposes, by the Association during the year ended March 31, 2014:

<u>Program</u>	<u>Contribution</u>	<u>Amount</u>
Head Start	Food Commodities	\$38,134
Head Start	Professional Services	<u>127,919</u>

Total recognized contributions received	<u>\$ 166,053</u>
---	-------------------

In addition to the contributions recognized for financial statement purposes, the Association receives other donations primarily from parent volunteers in the Head Start Program. These contributed services and certain other items were not recognized for financial reporting purposes because they do not meet the criteria set forth in FASB Accounting Standards Codification, however, these contributions do meet the matching requirements set forth in the Head Start grant. The sum of recognized and unrecognized "in-kind" contributions and other matching contributions qualifying for the Head Start Program total approximately \$1,236,000.

NOTE 7 - EMPLOYEE BENEFIT PLAN

The Association provides a 401(k) savings plan for its eligible employees. All employees with one year of service and an attained age of 20 ½ may participate. Participating employees may elect to contribute up to ten percent of their earnings. The Association may contribute an amount equal to a percent of the participants' contributions. The Association contributed approximately \$53,000 to the plan for the year ended March 31, 2014.

NOTE 8 - RELATED ENTITIES

The Association is a participant in a Limited Partnership as a General Partner sharing .5% in profits and losses and .5% in ownership capital. Because of the Association's small amount of ownership and because of certain provisions of the partnership agreement that restrict the Association's activities, the Association does not account for their investment in the partnership under the equity method. Rather, the Association records its share of income or loss when reported by the partnership. The partnership was formed for the purpose of constructing and maintaining a 30 unit low to moderate income townhouse community, "Sparrow Gardens Townhouses", located in Centerville, Louisiana. The total cost of the project was approximately \$1,376,000. This project was completed in 1996.

The Association acting in the capacity of a Community Housing Development Organization (CHDO) is the administrative manager of the complex. The accounting and financial management of the complex is handled by another partner.

In addition to its share of profits or losses, the Association receives certain management fees. Total Fees for the year ended March 31, 2014, totaled approximately \$5,000 and are reported when earned.

The Partnership's year end is December 31, 2013. Total net assets (deficit) of the partnership total \$596,949) at December 31, 2013. The partnership incurred a net loss of \$122,000 at December 31, 2013. The amount of this loss attributable to the Agency is \$612.

The Association is planning to acquire the ownership interests of the other partners.

NOTE 9 - CONCENTRATIONS

Ninety four percent of the Association's funding is obtained from federal grants. The largest federal grant administered by the Association is the Head Start program which accounts for fifty three percent of the Association's total funding for the year ended March 31, 2014.

NOTE 10 - SUBSEQUENT EVENTS

The Association's management evaluated whether any events and transactions occurred subsequent to March 31, 2014 through September 22, 2014, the date the Association's financial statements are available to be issued, and determined that there were no material events or transactions that would require recognition or disclosure in the Association's financial statements.

SUPPLEMENTARY INFORMATION

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
STATEMENT OF ACTIVITY BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 2014

	010 General Fund	015 Head Start #22	020 CACFP	027 Little Zion	030 CSBG	035 Revolving Loan Fund	038 Capital Reserve	009 Transitional Housing
Support								
Grants								
Federal	\$ 3,065		\$ 497,517					\$ 74,820
State								
Local	19,134			\$ 13,251			\$ 49,284	
Other support								
Utilization of contributed food		\$ 38,134						
Utilization of contributed professional services		127,919						
Other	14,200							
Net assets released from restrictions:								
Satisfaction of program restrictions		4,132,497			\$ 188,090			
Total unrestricted support (deficiency)	36,399	4,298,550	497,517	13,251	188,090	-	49,284	74,820
Expenses								
Salaries	17,814	2,667,283	165,602		156,893			15,008
Benefits	1,389	444,436	35,957		21,460			1299
Utilization of contributed food		38,134						
Utilization of contributed professional services		127,919						
Professional services	2,222	87,486			281			115
Contractual								
Maintenance - facilities		18,596						
Rent		10,800						
Services	12,637	226,980	33,759	1,832				3,083
Utilization of contributed facilities								
Supplies	4,035	106,071	4,792	2,563				82
Travel and transportation	12,655	72,068	6,483		399		3,500	
Insurance	1,435	179,436	13,023		2,046			
Benefits provided to community:								
Emergency assistance	5,373				225			
Food	570	64,886	224,712					
Utility payments								
Weatherization								
Housing assistance								45,684
Home program - subsidy								
Other	1,224	35,532	13,992	585	1,448	(83)	12,908	1,844
Depreciation	21,012	250,083	1,120		423		5,056	
Utilities, Telephone, Internet		217,343	2,914	7,473	5,338			
Total unrestricted expenses	80,366	4,547,053	502,354	12,453	188,513	(83)	21,464	67,115

Changes in unrestricted net assets	(43,967)	(248,503)	(4,837)	798	(423)	83	27,820	7,705
Other changes in unrestricted net assets:								
Transfer in	15,286		1,300		11,337		10,000	
Transfer out	(24,610)		(4,700)				(29,716)	(2,205)
Increase (decrease) in unrestricted net assets	(53,291)	(248,503)	(8,237)	798	10,914	83	8,104	5,500
Changes in temporarily restricted net assets								
Support								
Grants								
Federal		4,132,428			183,208			
Net assets released from restrictions:								
Satisfaction of program restrictions		(4,132,497)			(188,090)			
Increase (decrease) in temporarily restricted net assets	-	(69)	-	-	(4,882)	-	-	-
Increase (decrease) in net assets	(53,291)	(248,572)	(8,237)	798	6,032	83	8,104	5,500
Net assets at March 31, 2013	694,253	6,036,087	52,875	6,266	(9,275)	58,434	173,692	7,028
Net assets at March 31, 2014 before Residual equity transfer	640,962	5,787,515	44,638	7,064	(3,243)	58,517	181,796	12,528
Residual equity transfer	-	-	-	-	-	-	-	-
Net assets at March 31, 2014	\$ 640,962	\$ 5,787,515	\$ 44,638	\$ 7,064	\$ (3,243)	\$ 58,517	\$ 181,796	\$ 12,528

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
STATEMENT OF ACTIVITY BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 2014

	039 HUD <u>Homeless</u>	040 Parish <u>Council</u>	045 Healthy <u>Families</u>	060 <u>LIHEAP</u>	065 <u>Medicaid</u>	070 <u>Weatherization</u>	072 <u>Weatherization</u> <u>5 Parish</u>	073 <u>Weatherization</u> <u>Lafourche</u>
Support								
Grants								
Federal		\$ 173,599						
State		33,626			\$ 280			
Local		58,660	\$ 93,750					
Other support								
Utilization of contributed food								
Utilization of contributed professional services								
Other								
Net assets released from restrictions:								
Satisfaction of program restrictions	\$ 57,514			\$ 622,026		\$ 1,138,191		
Total unrestricted support (deficiency)	57,514	265,885	93,750	622,026	280	1,138,191	-	-
Expenses								
Salaries	21,075	207,846	28,656	25,615		133,369		
Benefits	5,732	19,403	10,911	11,659		24,428		
Utilization of contributed food								
Utilization of contributed professional services								
Professional services	1,115	346	10,882	10,145	230	2,845		
Contractual								
Maintenance - facilities								
Rent			8,000					
Services	4,700	2,194	22,517	5,617		30		
Utilization of contributed facilities								
Supplies	6,505	13,651	10,881	20,271		5,272		
Travel and transportation	2,056	16,020	5,771	7,741		30,918		
Insurance	1,074	1,434	11,948	7,385		1,606		
Benefits provided to community:								
Emergency assistance	11,462			1,914				
Food	61		1,237					
Utility payments				524,508				
Weatherization						936,663		
Housing assistance								
Home program - subsidy								
Other	65	(2,118)	1,705	2,144		2,261		
Depreciation				1,780		55,933		
Utilities, Telephone, Internet	3,669	1,428	19,160	3,247		799		
Total unrestricted expenses	57,514	260,204	131,668	622,026	230	1,194,124	-	-

Changes in unrestricted net assets	-	5,681	(37,918)	-	50	(55,933)	-	-
Other changes in unrestricted net assets:								
Transfer in		33,842		4,108		2,000		
Transfer out	(1,792)	(500)		(8,200)	(200)	(151)		
Increase (decrease) in unrestricted net assets	(1,792)	39,023	(37,918)	(4,092)	(150)	(54,084)	-	-
Changes in temporarily restricted net assets								
Support								
Grants								
Federal	72,666			629,143		1,156,407		
Net assets released from restrictions:								
Satisfaction of program restrictions	(57,514)			(622,026)		(1,138,191)		
Increase (decrease) in temporarily restricted net assets	15,152	-	-	7,117	-	18,216	-	-
Increase (decrease) in net assets	13,360	39,023	(37,918)	3,025	(150)	(35,868)	-	-
Net assets at March 31, 2013	9,692	(84,515)	40,508	19,007	389	126,582	(354)	(1,483)
Net assets at March 31, 2014 before								
Residual equity transfer	23,052	(45,492)	2,590	22,032	239	90,714	(354)	(1,483)
Residual equity transfer	-	-	-	-	-	(1,837)	354	1,483
Net assets at March 31, 2014	\$ 23,052	\$ (45,492)	\$ 2,590	\$ 22,032	\$ 239	\$ 88,877	\$ -	\$ -

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
STATEMENT OF ACTIVITY BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 2014

	120 Summer Feeding	655 Housing Department	725 Faith Place	735 Isaiah's House	760 Weatherization Stimulus	Total All Programs
Support						
Grants						
Federal	\$ 78,991	\$ 179,245			129,580	\$ 1,136,817
State		19,027				52,933
Local		32,524				266,603
Other support						
Utilization of contributed food						38,134
Utilization of contributed professional services						127,919
Other			\$ 7,519	\$ 23,255		44,974
Net assets released from restrictions:						
Satisfaction of program restrictions						6,138,318
Total unrestricted support (deficiency)	78,991	230,796	7,519	23,255	129,580	7,805,698
Expenses						
Salaries	25,125	23,216				3,487,502
Benefits	2,805	2,772		1,297	3,726	587,274
Utilization of contributed food						38,134
Utilization of contributed professional services						127,919
Professional services	4,140	1,353		2,536		123,696
Contractual						
Maintenance - facilities						18,596
Rent						18,800
Services	1,630	7,108	2,575	5,673		330,335
Utilization of contributed facilities						
Supplies	2,034	1,613		487	332	178,589
Travel and transportation	4,600	1,007		2,276	22,164	187,658
Insurance	1,824	236	976	976	4,604	228,003
Benefits provided to community:						
Emergency assistance		4,553		538		24,065
Food	32,363	712		578		325,119
Utility payments						524,508
Weatherization					65,901	1,002,564
Housing assistance						45,684
Home program - subsidy		91,195				91,195
Other	4,320	10,042	208	770		86,847
Depreciation		2,400			4,671	342,478
Utilities, Telephone, Internet		3,531	1,842	1,598		268,342
Total unrestricted expenses	78,841	149,738	5,601	16,729	101,398	8,037,308

Changes in unrestricted net assets	150	81,058	1,918	6,526	28,182	(231,610)
Other changes in unrestricted net assets:						
Transfer in		5,006	700	500		84,079
Transfer out			(2,702)	(6,263)	(3,040)	(84,079)
Increase (decrease) in unrestricted net assets	150	86,064	(84)	763	25,142	(231,610)
Changes in temporarily restricted net assets						
Support						
Grants						
Federal						6,173,852
Net assets released from restrictions:						
Satisfaction of program restrictions						(6,138,318)
Increase (decrease) in temporarily restricted net assets	-	-	-	-	-	35,534
Increase (decrease) in net assets	150	86,064	(84)	763	25,142	(196,076)
Net assets at March 31, 2013	(3,791)	20,416	(47,351)	137	-	7,098,597
Net assets at March 31, 2014 before Residual equity transfer	(3,641)	106,480	(47,435)	900	25,142	6,902,521
Residual equity transfer	-	-	-	-	-	-
Net assets at March 31, 2014	\$ (3,641)	\$ 106,480	\$ (47,435)	\$ 900	\$ 25,142	\$ 6,902,521

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

**Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2014**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ <u>PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENSES INCURRED</u>
<u>U.S. Department of Agriculture</u>			
Passed through Louisiana Department of Education			
Child and Adult Care Food Program	10.558	\$ 497,517	\$ 502,354
Summer Food Service Program for Children (Summer Feeding Program)	10.559	<u>78,991</u>	<u>78,841</u>
Total U.S. Department of Agriculture		<u>576,508</u>	<u>581,195</u>
<u>U.S. Department of Transportation</u>			
Passed through Louisiana Department of Transportation and Development			
Job Access and Reverse Commute Program	20.516	<u>173,599</u>	<u>173,599</u>
Total U.S. Department of Transportation		<u>\$ 173,599</u>	<u>\$ 173,599</u>
<u>U.S. Department of Housing and Urban Development</u>			
Supportive Housing Program	14.235	147,486	124,629
Passed through Louisiana Housing Corporation (LHC)			
Home Investment Partnerships Program	14.239	<u>179,245</u>	<u>179,245</u>
Total U.S. Department of Housing and Urban Development		<u>\$ 326,731</u>	<u>\$ 303,874</u>
<u>U.S. Department of Energy</u>			
Passed through Louisiana Housing Corporation (LHC),			
Passed through Louisiana Association of Community Action Partnerships, Inc. (LACAP)			
Weatherization Assistance for Low-income Persons	81.042	1,156,407	1,138,191
ARRA - Weatherization Assistance for Low-income Persons	81.042	<u>129,580</u>	<u>101,398</u>
Total U.S. Department of Energy		<u>\$ 1,285,987</u>	<u>\$ 1,239,589</u>

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	FEDERAL CFDA NUMBER	REVENUE RECOGNIZED	EXPENSES INCURRED
<u>U.S. Department of Health and Human Services</u>			
Passed through LHC			
Passed through LACAP			
Low income Home Energy Assistance	93.568	\$ 629,143	\$ 622,026
Passed through Louisiana Department of Labor			
Community Services Block Grant	93.569	183,208	188,090
Services to Victims of a Severe Form of Trafficking	93.598	3,065	3,065
Administration for Children and Families Head Start	93.600	<u>4,132,428</u>	<u>4,132,497</u>
Total U.S. Department of Health and Human Services		<u>\$ 4,947,844</u>	<u>\$ 4,945,714</u>
Total Federal Financial Assistance		<u>\$ 7,310,669</u>	<u>\$ 7,243,971</u>

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2014

NOTE 1 - REPORTING METHOD

Except for Head Start, CSBG, and Weatherization, all revenues and expenses on this schedule are reported on the basis of generally accepted accounting principles.

NOTE 2 - HEAD START

Reconciliation of expenses incurred on the financial statements to expenses incurred on the Schedule of Expenditures of Federal Awards for Head Start Program Operations is as follows:

Total unrestricted expenses per financial statement	\$4,547,053
Less: Depreciation expense	
Total depreciation (\$250,083) less depreciation on assets acquired with nonfederal funds (\$1,580)	(248,503)
Contributions	(166,053)
 Total expenses incurred per Schedule of Expenditures of Federal Awards	 <u>\$4,132,497</u>

NOTE 3 - COMMUNITY SERVICE BLOCK GRANT

Reconciliation of expenses incurred on the financial statements to expenses incurred on the Schedule of Expenditures of Federal Awards for Community Service Block Grant operations is as follows:

	<u>CSBG</u>
Total unrestricted expenses per financial statement	\$188,513
Less: Depreciation expense	<u>(423)</u>
Total expenses incurred per Schedule of Expenditures Of Federal Awards	<u>\$188,090</u>

NOTE 4 – WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS

Reconciliation of expenses incurred on the financial statements to expenses reported on the Schedule of Expenditures of Federal Awards for Weatherization is as follows:

Total unrestricted expenses per financial statement	\$1,194,124
Less: Depreciation expense	<u>(55,933)</u>
Total expenses reported per Schedule of Expenditures of Federal Awards	<u>\$1,138,191</u>

NOTE 5 - SUPPORTIVE HOUSING

Revenue and expenses for supportive housing programs as reported on the Schedule of Expenditures of Federal Awards, is reported in two funds as follows:

	<u>Revenue</u>	<u>Expenses</u>
Transitional Housing	\$ 74,820	\$ 67,115
HUD Homeless	<u>72,666</u>	<u>57,514</u>
Total Revenue and Expenses recognized per Schedule of Expenditure of Federal Awards	<u>\$147,486</u>	<u>\$124,629</u>

INTERNAL ACCOUNTING CONTROL AND COMPLIANCE
AND OTHER MATTERS



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
St. Mary Community Action Committee Association, Inc.
Franklin, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2014, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 22, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the St. Mary Community Action Committee Association, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Mary Community Action Committee Association, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Mary Community Action Committee Association, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

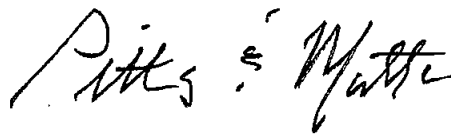
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during the audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Mary Community Action Committee Association, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Legislative Auditor.



CERTIFIED PUBLIC ACCOUNTANTS

September 22, 2014



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

Board of Directors
St. Mary Community Action Committee Association, Inc.
Franklin, Louisiana

Report on Compliance for Each Major Federal Program

We have audited St. Mary Community Action Committee Association, Inc.'s compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the St. Mary Community Action Committee Association, Inc.'s major federal programs for the year ended March 31, 2014. The St. Mary Community Action Committee Association, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of St. Mary Community Action Committee Association, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about St. Mary Community Action Committee Association, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the St. Mary Community Action Committee Association, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, St. Mary Community Action Committee Association, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2014.

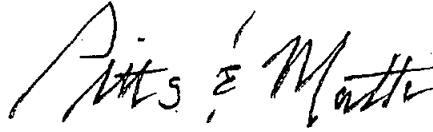
Report on Internal Control Over Compliance

Management of St. Mary Community Action Committee Association, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered St. Mary Community Action Committee Association, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the St. Mary Community Action Committee Association, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to described the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Legislative Auditor.

A handwritten signature in black ink, appearing to read "Pitts & Martin". The signature is stylized and cursive.

CERTIFIED PUBLIC ACCOUNTANTS

September 22, 2014

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
SCHEDULE OF FINDINGS, AND QUESTIONED COSTS
For the Year Ended March 31, 2014

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of the St. Mary Community Action Committee Association, Inc.
2. No control deficiency was disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the St. Mary Community Action Committee Association, Inc. were disclosed during the audit.
4. No findings were disclosed during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for the St. Mary Community Action Committee Association, Inc. expresses an unmodified opinion on all major federal programs.
6. No audit findings relative to major federal award programs for the St. Mary Community Action Committee Association, Inc., are reported in Part C of this Schedule.
7. The three programs tested as major programs are:
 - A. Weatherization Assistance for Low-Income Persons including
ARRA – Weatherization Assistance for Low-Income Persons
(CFDA No. 81.042)
 - B. Head Start (CFDA No. 93.600)
 - C. Low Income Home Energy Assistance (CFDA No. 93.568)
8. The threshold for distinguishing types A and B programs was \$300,000.
9. St. Mary Community Action Committee Association, Inc. was determined to be a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

NO MATTERS TO BE REPORTED

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM
AUDIT

NO MATTERS TO BE REPORTED

D. SUMMARY OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION
PREPARED BY ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

NO MATTERS TO BE REPORTED